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ASX RELEASE

Chairman's Review and 2023 Look Ahead

Dear Shareholders,

2022 was a challenging year for **Asra Minerals Limited (ASX: ASR) (The Company)** as the resources super-cycle in Australia created a problematic labour market with booming commodity prices and the continuing COVID-19 pandemic impacting the industry and your Company.

With such restrictions and skills shortage, the Board needed more exploration and geology experience and was almost totally reliant on the Company's limited consultants and employees. Despite this, ASRA completed last year with a substantial increase in tenement ground by expanding our Leonora holding and achieving ownership of the Tarmoola pastoral station lease and associated assets. We are in a fascinating location surrounded by exceptional primary mining operations and prospective exploration upside.



Asra's Tarmoola Pastoral Station, located in the Eastern Goldfields WA.

Tarmoola is a strategic acquisition, and the Company discharged the \$3.0M acquisition facility owing to Riverfort in just over 12 months.



Reflecting on the past year, the completion of our aggressive gold drilling programme in the first quarter of 2022 revealed operational issues. Due to exploration management and the team's limited experience, our prospective gold prospects of Tyrannus, Hydra, Diorite East and Estera were not included in the September 2022 mineral resource estimate (MRE) update. In the Board's opinion, the programme should have resulted in a better reflection of the valuable gold opportunities of the ASRA tenements.

The MRE of 152,000 ounces announced in September 2022 was personally disappointing. Although it included 391,000 tonnes at 2.1 g/t Au in the Indicated Category and 2,356,000 tonnes at 1.6 g/t Au in the Inferred Category, the increase in Resource at the Mt Stirling Project only increased 23% from 118,384oz Au to 152,000oz Au. At the MS Vicerion Deposit in the project's northern tenement, the increase was slightly more encouraging at 34% from 102,000oz Au to 137,000oz Au.

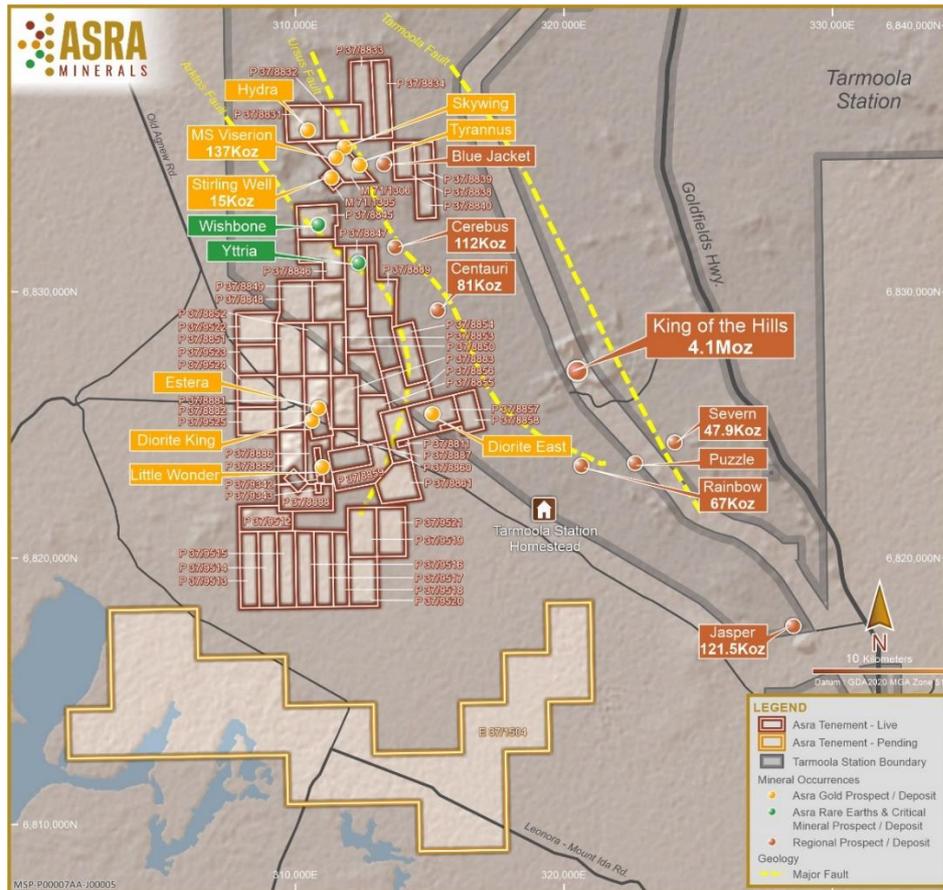
On the positive, our 2022 exploration resulted in the remarkable discovery of rare earth potential uncovered at Mt Stirling Central (*ASX announcement 14 January 2022*). In addition, we then had the subsequent appointment of Professor Kenneth (Ken) Collerson, BSc (Hons), PhD, FAusIMM as a consultant to the Company (*ASX announcement 24 January 2022*).

The appointment of Ken was a first step towards strengthening our exploration expertise by attaining quality scientific and geological input for the Company. He is a leading expert in rare earths and critical minerals.

With Ken's guidance and the Company's exploration activities in 2022, we confirmed the presence of all five heavy rare earths elements, including Dysprosium (Dy), Terbium (Tb), Europium (Eu), Neodymium (Nd) and Yttrium (Y) together with critical minerals anomalous Co (Cobalt), Sc (Scandium), Ni (Nickel), Cr (Chromium) and Pd (Palladium) and Pt (Platinum) enriched within clays and regolith horizons located at Ytria on the Company's Tarmoola pastoral lease (*ASX announcement 31 January 2022*). Another target area, Wishbone, was confirmed with rare earth and critical minerals occurring in a 1.3km by 500m wide mineralised corridor with peak assays reporting up to 1,032ppm Total Rare Earth Yttrium Oxides (TREYO). Ytria and Wishbone are truly unique discoveries due to their very high ratio of 0.62 heavy rare earths to total rare earths (HREYO: TREYO) (*ASX announcement 28 September 2022*) and the lack of radiation emitting nasties of Uranium (U) and Thorium (Th) prevalent in hard rock rare earth discoveries. In many ways, the Company's rare earth project stands out internationally from most rare earth projects.

By October 2022, the exploration programme for rare earths had expanded the Mt Stirling footprint to a defined and interpreted ~7.5km long corridor highlighted from the surface. The size of the discovery remains open in all directions, with its limits yet undefined.

Our plans for exploration in 2023 will be an exciting year for the Company as we unlock the potential size of this unique and significant rare earth and critical minerals discovery, moving the Company into a multi-commodity space.



Tenement Map of Asra's holdings at Mt Stirling Project, hosting Gold, REE and other Critical Minerals

A significant step in pursuing an experienced Board was the appointment of Mr Mathew (Mat) Longworth as a non-executive director on 16 May 2022 (ASX announcement 29 April 2022). Mat is a geologist with over 35 years of experience across exploration, project evaluation/development, operations, and corporate management.

With the rare earths and critical minerals discovery becoming a serious pursuit, the new Board made a conscious decision to rebrand the Company to Asra Minerals Limited on 16 May 2022 and promote a triple play exposure across multi-commodities, including gold, critical minerals, and rare earths.

If I can be most critical of the Company, it would have been the promises made concerning deliverables, such as the date of the gold MRE, which was released many months after initially promised. The same can be said about rare earths and the completion of first-pass metallurgy and a rare earth MRE in the final quarter of 2022. The Board was entirely reliant on representations of previous exploration management; however, now, with the expertise of a new and experienced Board, there is the realisation that there needed to be more basis or opportunity for the Company to complete such tasks within the promised deadline. As Chairman, I take responsibility and apologise for the expectations that were not realised.

By October 2022, we became aware that the Company had issues concerning its exploration management and changes needed to be made. Fortunately, we were extremely pleased to welcome Robin (Rob) Longley (BSc. Hons Geology, MAIG), a highly experienced geologist as Managing Director.

Due to a corporate restructuring, Rob was available to join the Company as its new and first Managing Director since 2018. Upon Rob's appointment, Executive Director Peretz Schapiro retired to concentrate his efforts on several projects, including Loyal Lithium Limited (ASX: LLI), of which the Company retains a significant shareholding.

In the short time Rob has been with the Company, there have been many changes and the confirmation that the past 18 months of exploration needed a constructive geological approach. The most telling is the recording of data in a haphazard and unprofessional manner. The lack of news flow since late last year has been due solely to the substantial effort our new team has undertaken to assemble and prepare data in a proper format, report exploration undertakings in a methodical and documented way and adequately assess the exploration efforts to date.

With input from Rob, Ken, and Mat, we discovered that our rare earth drilling data needed to be in an appropriate state to complete a QA/QC analysis for a JORC MRE.

Further, delays were experienced with the promised "first pass" metallurgy on two fronts. Firstly, getting laboratories and metallurgical consultants to be able to undertake the scientific analysis required within a reasonable period. Secondly, the unique science involved in the extraction pathway to liberate rare earths and critical minerals from their host clays and material.

Remember that the Company's rare earths and critical mineral occurrences are quite structurally unique; it is a complex task to follow someone else's methodology. Our experiences have led to a much better understanding of the timing required to achieve metallurgical analysis and a resource definition. The Company was misled in the past as to what could be a realistic timeline to complete such a process. These past events, however, have not dampened the enthusiasm and belief of our 2023 team.

Ken Collerson, our esteemed consultant, commented:

"The anomalous metal assemblage in the Tarmoola regolith viz., HREEs (Heavy Rare Earths), Sc, Co and Ni, as well as Au, Pt and Pd, clearly indicates the presence of an underlying geochemically unique source intrusion. Confirmation that the clay horizons have chemical characteristics similar to ionic adsorption rare earth systems is also extremely important for designing feasible metallurgical separation processes.

Importantly, the regolith also contains, significantly scandium concentrations, a critical element in increasing demand for light alloys and H (Hydrogen) fuel cell construction".

The Company is now set to unlock the potential of its gold, rare earths and critical minerals exploration in a methodical and best-practice manner buoyed by the opportunities of an expanded labour market and access to experienced personnel.

As we begin the 2023 year, the challenge for the Board is to make the most of the opportunities we have – to execute well and achieve our goals. Notably, these goals include procedural improvement on timeline management and investigating new and local opportunities to further expand our exploration footprint along with existing activities over our multi-commodity tenements. The Company is putting a serious effort into desktop geology, with a massive amount of essential data which has never been seriously analysed. The value of exploration completed to date needs serious analysis and already reveals positive results.

We currently have over 5,000 metres of rare earth drilling samples at the labs to be assayed, analysed and released to the market, and gold samples still awaiting analysis. The intention is to expand our mineral resource to include results from Tyrannus, Hydra, Diorite East and Estera.

We are also focusing on the metallurgy of rare earths and critical minerals with some recent and positive input on the science of extraction and structural identification by Ken. Alongside this process, we will continue to drill more methodically, stepping out to identify size and structure.



Prof Ken Collerson at Asra's Drill Core Facility in Kalgoorlie



Executive Chairman Paul Summers and MD Rob Longley on Site at the Yttria REE Prospect



Vacuum Drill Rig on Site at the Wishbone REE Prospect

With gold, on completion of desktop and data analysis, it will be necessary for a small program at Mt Stirling to further build on the MRE. The Board is also keen to investigate the Diorite/Estera and Little Wonder locations, including some of the new ground pegged over the 2022 year to the southeast, including a 7,525-hectare Exploration Lease awaiting imminent approval from DMIRS.

The Board is also aware of the opportunity to strengthen our balance sheet with the 0.035 listed options exercisable in November 2023, with a potential to realise \$18.5 million (531 million ASROB). Your Board is genuinely driven to create a market value that will encourage the exercise of these November 2023 options.

At this point it is important to introduce Rob's plans for 2023 as he lays out a very active year ahead.

Asra's, Managing Director Rob Longley commented:

" What drew me to Asra was not only the experience and professionalism of the new Board, but the vastly under-explored nature of Asra's tenement holding, located in the heart of WA's world-class mining hub, and having only had a fraction of targets drilled within our 20km long exploration corridor at Mt Stirling.

The recent discovery of near-surface, clay-hosted rare earths is significant and deserving of a comprehensive exploration approach. Rare earth and other critical minerals are a great compliment to Asra's gold portfolio and have been introduced through discovery on the Company's own ground, rather than through an expensive acquisition.

As mentioned by our Executive Chairman Paul Summers, we are still processing over 5,000 metres of REE drill samples that were collected last year, and some are only now entering the laboratory pipeline for analysis. Together with Professor Ken Collerson's guidance, we will use the knowledge to build a far more representative metallurgical sample.

Based on these results and the current compilation of a proper technical database, Asra will design additional REE drill campaigns to test how large the footprint is at Mt Stirling beyond Yttria and Wishbone, and also focus on where the heavy REE's such as Terbium, are concentrated in the regolith profile.

The ~60% heavy portion of Asra's REE is unique and may prove to be what principally drives value: Terbium oxide product is currently attracting a price in an order of magnitude higher than the more common light rare earth elements, Pd-Nd (Terbium Oxide US\$2,053/kg).¹

The gold targets on Asra's Mt Stirling Project are also under strategic review. With drill results around Mt Stirling showing excellent high-grade intercepts (e.g., 10m @ 9.64g/t Au from 105m in hole MSRC0172) and very wide lower grade intercepts such as 33m @ 1.78g/t Au from 196m in hole MSRC0262) we are a serious emerging gold contender.²

With Red5's King of the Hills gold operations in sight from most of Asra's ground, the gold targets are plentiful. Currently, the old workings and prospects around Little Wonder and Diorite King in the south of our tenure are being reviewed technically with the assistance of the comprehensive dataset now finally being built.

We have a great selection of gold, rare earth and critical minerals drill targets to approach sensibly through 2023 and having been onsite several times, I understand and share Ken's enthusiasm and am excited to explore our unique multi-commodity tenements," Mr Longley said.

I am confident the Company, under Rob's management, will be well-resourced, focused and committed to an exciting 2023 in the development of its gold, rare earth and critical minerals projects.

A handwritten signature in black ink, appearing to read "Paul Summers", with a long horizontal flourish extending to the right.

**Paul Summers B Jurs. LLB
Executive Chairman**

¹ Terbium Oxide price from 20 Jan '23 Shanghai Metas Market [Terbium Oxide today | Rare Earth | SMM - China Metal Market](#)

² Refer to ASX announcement dated 25 March 2022 and 31 May 2022. The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant market announcements, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original announcements.



Map showing Asra's Tarmoola Pastoral Station Boundary situated just northwest of Leonora Township – The Station encompasses Asra's Mt Stirling Project and also covers Red5 (King of The Hills) and Aeris (Jaguar) extensive mine Operations.

Competent Person Statement

Information on the JORC Mineral Resources presented, together with JORC Table 1 information, is contained in the ASX announcement released on 1 September 2022. The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant market announcements, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original announcements.

Where the Company refers to Mineral Resources in this announcement (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original announcement.